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Financing of the United Nations peacekeeping forces in the Middle East: United Nations Interim Force in Lebanon

Financial performance report of the United Nations Interim Force in Lebanon for the period from 1 July 2000 to 30 June 2001

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Interim Force in Lebanon (UNIFIL) for the period from 1 July 2000 to 30 June 2001. The General Assembly, by its resolutions 54/267 of 15 June 2000, 55/180 of 19 December 2000 and 55/180 B of 14 June 2001, appropriated a total amount of $207,154,194 gross ($201,981,841 net) for the Force.

Expenditures for the period totalled $183,811,094 gross ($179,058,941 net), excluding budgeted voluntary contributions in kind of $180,000, resulting in an unencumbered balance of $23,343,100 gross ($22,922,900 net).

The unencumbered balance was mainly due to the termination of the expansion programme of the Force.

The actions to be taken by the General Assembly in connection with the financing of the Force are set out in paragraph 22 of the present report.

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I. Introduction

1. The United Nations Interim Force in Lebanon (UNIFIL) was established for an initial period of six months by the Security Council in its resolution 425 (1978) of 19 March 1978. The mandate of the Force has subsequently been extended by the Council in various resolutions, the latest of which was resolution 1391 (2002) of 28 January 2002, by which the Council extended the mandate of UNIFIL until 31 July 2002.

2. The initial budget for the maintenance of UNIFIL for the period from 1 July 2000 to 30 June 2001 was set out in document A/54/724 and amounted to $139,547,600 gross ($135,721,900 net), inclusive of an amount of $180,000 representing budgeted voluntary contributions in kind. It provided for resource requirements for the maintenance of the Force, comprising 4,513 troops (3,518 infantry and 995 logistics), supported by a civilian establishment of 491 (141 international and 350 local level) posts.

3. On the recommendation of the Advisory Committee on Administrative and Budgetary Questions contained in its report on UNIFIL (A/54/841/Add.2), the General Assembly, in its resolution 54/267 of 15 June 2000, appropriated an amount of $146,833,694 gross ($141,899,841 net) for the maintenance of UNIFIL for the period from 1 July 2000 to 30 June 2001, inclusive of the amount of $6,967,059 gross ($5,895,590 net) for the support account for peacekeeping operations and the amount of $1,089,216 gross ($969,161 net) for the United Nations Logistics Base at Brindisi.

4. It may be recalled that on 17 April 2000, the Secretary-General received formal notification from the Government of Israel that Israel would withdraw its forces from Lebanon by July 2000 in full accordance with Security Council resolution 425 (1978) and 426 (1978) of 19 March 1978. The Secretary-General was further informed that in doing so the Government of Israel intended to cooperate fully with the United Nations (see S/2000/322).

5. Subsequently, the Secretary-General, in his report on the implementation of Security Council resolutions 425 (1978) and 426 (1978) (S/2000/460), submitted conclusions and recommendations regarding the plans and requirements for the implementation of those two resolutions and all other relevant resolutions. The President of the Security Council, on 23 May 2000, made a statement on behalf of the Council that was subsequently issued as document S/PRST/2000/18 of the same date.

6. In his statement, the President of the Security Council stated, inter alia, that the Council (a) welcomed and strongly endorsed the report of the Secretary-General; (b) welcomed the intention of the Secretary-General to take all necessary measures to enable UNIFIL to confirm a complete withdrawal of Israeli forces from Lebanon that had taken place in compliance with resolution 425 (1978) and to take all necessary steps in order to deal with possible eventualities, bearing in mind that the cooperation of all parties would be essential; and (c) endorsed the requirements put forward by the Secretary-General.

7. Based on the requirements put forward by the Secretary-General as described in paragraphs 31 to 35 of his report (S/2000/460), the troop strength would rise from the level of 4,513 to approximately 5,600 and subsequently to approximately 7,935.

The expansion of the Force would require some immediate strengthening of the international civilian and local level staffing establishment of UNIFIL along with additional equipment and logistical support.

8. The first revised budget of UNIFIL for the period from 1 July 2000 to 30 June 2001 contained in the report of the Secretary-General on the financing of UNIFIL (A/55/482), amounted to $225,535,700 gross ($221,326,300 net), exclusive of the amount of $6,021,721 gross ($5,284,652 net) for the support account for peacekeeping operations and the United Nations Logistics Base, and represented an increase of $86,758,400 gross over resources appropriated by the General Assembly for the Force in its resolution 54/267. This first revised budget provided for an anticipated phased deployment of the additional 3,387 military personnel up to a total of 7,900 personnel, supported by a temporary increase in the civilian staffing establishment by 81 posts (34 international posts and 47 local posts).

9. In its resolution 55/180 of 19 December 2000, the General Assembly, acting on the recommendation of the Advisory Committee on Administrative and Budgetary Questions contained in its report on UNIFIL (A/55/516), appropriated an additional amount of $86,758,400 gross ($86,301,300 net) for the provisional expansion of the Force for the financial period 2000-2001.

10. However, shortly after the revised financing action taken by the General Assembly in resolution 55/180, it was confirmed that the budgeted deployment of two battalions early in 2001 would not take place. Moreover, in paragraph 24 of the report of the Secretary-General on UNIFIL for the period from 18 July 2000 to 18 January 2001 (S/2001/66), it was stated that in view of the situation in the region, as a possible first stage of the suggested reconfiguration of the Force, Force strength would return to the level prior to its augmentation in 2000, that is, to about 4,500, by 31 July 2001. By its resolution 1337 (2001) of 30 January 2001, the Security Council endorsed the general approach for the reconfiguration of UNIFIL, as outlined in the aforementioned report of the Secretary-General. Furthermore, the Council requested that the Secretary-General take the necessary measures to implement the reconfiguration of the Force, including taking into account the upcoming rotations of the battalions in consultation with the Government of Lebanon and the troop-contributing countries.

11. In view of these developments, the Secretary-General took the initiative immediately to reduce the budget of $233,592,094 gross, approved by the General Assembly in its resolution 55/180, by $26,437,900, to $207,154,194 gross, as contained in his second revised budget for the 12-month period from 1 July 2000 to 30 June 2001 (A/55/482/Add.1).

12. In its resolution 55/180 B of 14 June 2001, the General Assembly approved the reduction proposed by the Secretary-General.

13. In light of the above, the total appropriation granted by the General Assembly in its resolutions 54/267, 55/180 A and 55/180 B for the maintenance and provisional expansion of UNIFIL for the period from 1 July 2000 to 30 June 2001 amounted to $207,154,194 gross ($201,981,841 net). This amount has been assessed on Member States.

II. Implementation of the budget

14. Information on the operation of UNIFIL during the period under review is contained in the reports of the Secretary-General to the Security Council dated 20 July 2000 (S/2000/718), 31 October 2000 (S/2000/1049), 22 January 2001 (S/2001/66), 30 April 2001 (S/2001/423) and 20 July 2001 (S/2001/714).

15. During the period under review, the United Nations peacekeeping presence in southern Lebanon underwent significant transformation. Upon the withdrawal of the Israeli Defence Forces (IDF) from southern Lebanon, so as to address the changed operational situation, an urgent expansion programme was planned and initiated in early May 2000 to augment troop strength from an authorized level of 4,513 at that time to approximately 5,600 by the end of June 2000, and later to approximately 7,935, together with related support requirements (see S/2000/460, paras. 31-35). However, actual augmentation of the Force was not attained as originally planned, owing to the decision subsequently taken by the Security Council in its resolution 1337 (2001) to return Force strength to the level prior to its augmentation in 2000, that is, to about 4,500 by 31 July 2001, as mentioned in paragraph 11 above.

16. As stated earlier, the UNIFIL budget was twice revised during the financial period from 1 July 2000 to 30 June 2001, i.e., there were three budgets for the Force in one 12-month financial year. It is essential to highlight fundamental aspects of the three so that the practical difficulties faced in implementing the budget may be fully appreciated. The initial budget was formulated for the maintenance of the Force on the basis of a troop-strength of 4,513 military personnel with a civilian component of 491 staff. The first revised budget was prepared based on the modified operational plan to support an expanded mission of up to 7,900 military personnel (an increase of 75 per cent) and a civilian staffing of 572 staff (an increase of 16.5 per cent). In accordance with the same operational plan, the realignment of troop positions required 28 new positions to be established, 50 of the existing 144 positions to be maintained and 25 of 50 old positions to be expanded. Therefore, additional resources for premises and accommodations, and, in particular, prefabricated buildings, were provided. Additional transport, air support, communications equipment, observation equipment, defence stores and other types of equipment related to the safety and security of the troops and necessary for the performance of operational tasks was also proposed in the first revised budget.

17. The second revised budget was prepared, during the process of implementing the first revised budget, to reflect reduced requirements to support only an average 5,805 military personnel (36 per cent less than the previously planned 7,900 troops) along with a civilian staffing of 541 posts. Consequently, the Secretary-General reduced the apportionment for military and related costs, and civilian personnel. When the budget was revised for the second time under severe time constraints, it was difficult to identify precisely reductions in the funding requirements for contingent-owned equipment, self-sustainment, vehicles, equipment, supplies and services and air and surface freight for the remainder of the financial period. Therefore, the reduction in the budget was mainly made in the number of military and civilian personnel who were on board and the related costs. Inevitably, such fundamental planning changes had a significant impact on the budget implementation process.

18. In summary, the chronology of events for UNIFIL budget implementation in the 2000/2001 financial period started in May 2000 while expansion of the Force was considered. As soon as the augmentation of the Force was conceived, the operational plan was modified for the first time to prepare additional accommodation for the additional troops followed by procurement of essential military equipment. Some of the urgent requirements were met within the 1999/2000 budget and others were funded by realigning funds from the initial budget for the period under review. Shortly after the first revised budget was approved by the General Assembly in December 2000, it became evident that the Force would not be expanded in accordance with the first stage of the Secretary-General's reconfiguration plan to return Force strength by 31 July 2001 to the level of about 4,500 prior to its augmentation in 2000, which was endorsed by the Security Council in its resolution 1337 (2001). Accordingly, procurement of large numbers of prefabricated accommodations, vehicles, communications, observation and other types of equipment and supplies and services was cancelled, as detailed in annex II of the present report. Consequently, lower funding requirements for transporting equipment and supplies were also reported. In light of the foregoing, against the final General Assembly appropriation of $207,154,194 gross ($201,981,841 net), based on the second revised budget, expenditures for the financial year totalled $183,811,094 gross ($179,058,941 net), resulting in a saving of $23,343,100 gross ($22,922,900 net), which accounts for 11.3 per cent of the total appropriation of $207,154,194 gross.

19. During the period under review, an amount of $472,179 was expended by the Force on measures to provide security of the staff, as shown in table 1 below.

Table 1
Expenditures for staff security
(United States dollars)

Item	*Expenditure*
International security staff[a]	469 444
Communications equipment[b]	2 735
Total	**472 179**

[a] The expenditure was made on family evacuation travel. Owing to the sudden deterioration of the security situation in Israel in October 2000, all dependants of UNIFIL staff, including non-essential staff, were evacuated from that country. The staff and families were brought back in November 2000 after the situation stabilized.

[b] Accounts for, inter alia, one personal computer, one fax machine and one printer used dedicatedly by the Zone Warden for security coordination in Nahariya, Israel.

III. Financial performance report for the period from 1 July 2000 to 30 June 2001

20. As indicated in table 2 below, expenditures for the period from 1 July 2000 to 30 June 2001 amounted to $183,811,094 gross ($179,058,941 net), inclusive of $77,782,000 in unliquidated obligations, compared with the appropriation of

$207,154,194 gross ($201,981,841 net). Annex I to the present report contains financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditures by main budget groups.

Table 2
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel	117 535.3	112 944.0	4 591.3
Civilian personnel	27 213.8	25 321.1	1 892.7
Operational requirements	50 244.9	33 855.3	16 389.6
Other programmes	123.0	73.7	49.3
United Nations Logistics Base at Brindisi	969.2	969.2	-
Support account for peacekeeping operations	5 895.6	5 895.6	-
Staff assessment	5 172.3	4 752.1	420.2
Gross requirements	**207 154.1**	**183 811.0**	**23 343.1**
Income from staff assessment	(5 172.3)	(4 752.1)	(420.2)
Net requirements	**201 981.8**	**179 058.9**	**22 922.9**
Voluntary contributions in kind (budgeted)	180.0	180.0	-
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	**207 334.1**	**183 991.0**	**23 343.1**

[a] Includes an amount of $13,406,600 in unliquidated obligations.

21. Information on the deployment of military contingent and civilian personnel during the reporting period is presented in table 3 below and detailed in annexes II and III to the present report.

Table 3
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 2000 to 30 June 2001

Personnel category	*Budgeted strength*[a] *(average)*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	-	-	-
Military contingents	5 805	5 571	4
Civilian police	-	-	-
International staff	147	130	12
Local staff	369	350	5
United Nations Volunteers	-	-	-

[a] Based on the deployment schedule of military and civilian personnel in conjunction with the Secretary-General's second revised budget (A/55/482/Add.1).

IV. Actions to be taken by the General Assembly at its fifty-sixth session

22. **The actions to be taken by the General Assembly in connection with the financing of UNIFIL are as follows:**

(a) To decide on the treatment of the unencumbered balance of $23,343,100 gross ($22,922,900 net) for the period from 1 July 2000 to 30 June 2001;

(b) To decide on the treatment of other income for the period from 1 July 2000 to 30 June 2001 amounting to $12,482,000 from interest income ($5,778,000), other/miscellaneous income ($953,000), prior period adjustment ($503,000) and savings on or cancellation of prior period obligations ($5,248,000).

Annex I

Financial performance report for the period from 1 July 2000 to 30 June 2001: summary statement

(Thousands of United States dollars)

Category of expenditure		*(1)* *Apportionment*[a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1 - 3)* *Variance*
I.	**Military personnel**				
	1. Military observers	-	-	-	-
	2. Military contingents	99 559.2	-	95 764.1	3 795.1
	3. Other requirements pertaining to military personnel				
	(a) Contingent-owned equipment	12 992.9	-	12 492.9	500.0
	(b) Self-sustainment	3 333.2	-	3 037.0	296.2
	(c) Death and disability compensation	1 650.0	-	1 650.0	-
	Subtotal, line 3	**17 976.1**	**-**	**17 179.9**	**796.2**
	Total, category I	**117 535.3**	**-**	**112 944.0**	**4 591.3**
II.	**Civilian personnel**				
	1. Civilian police	-	-	-	-
	2. International and local staff	27 213.8	-	25 321.1	1 892.7
	3. United Nations Volunteers	-	-	-	-
	4. Government-provided personnel	-	-	-	-
	5. Civilian electoral observers	-	-	-	-
	Total, category II	**27 213.8**	**-**	**25 321.1**	**1 892.7**
III.	**Operational requirements**				
	1. Premises/accommodations	8 602.7	2 490.4	4 379.1	4 223.6
	2. Infrastructure repairs	-	-	-	-
	3. Transport operations	19 907.6	5 811.9	14 754.4	5 153.2
	4. Air operations	2 182.5	-	1 526.5	656.0
	5. Naval operations	-	-	-	-
	6. Communications	4 711.3	2 485.7	3 601.5	1 109.8
	7. Other equipment	5 784.1	2 806.0	3 928.8	1 855.3
	8. Supplies and services	7 668.4	-	5 182.5	2 485.9
	9. Air and surface freight				
	(a) Transport of contingent-owned equipment	900.0	-	297.7	602.3
	(b) Commercial freight and cartage	488.3	-	184.8	303.5
	Subtotal, line 9	**1 388.3**	**-**	**482.5**	**905.8**
	Total, category III	**50 244.9**	**13 594.0**	**33 855.3**	**16 389.6**

Category of expenditure	(1) Apportionment[a]	(2) Non-recurrent expenditures	(3) Total expenditures (inclusive of non-recurrent expenditures)	(4) = (1 - 3) Variance
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	-	-	-	-
3. Training programmes	123.0	-	73.7	49.3
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and demobilization	-	-	-	-
Total, category IV	**123.0**	**-**	**73.7**	**49.3**
V. United Nations Logistics Base at Brindisi	**969.2**	**-**	**969.2**	**-**
VI. Support account for peacekeeping operations	**5 895.6**	**-**	**5 895.6**	**-**
VII. Staff assessment	**5 172.3**	**-**	**4 752.1**	**420.2**
Gross requirements, categories I-VII	207 154.1	13 594.0	183 811.0	23 343.1
VIII. Income from staff assessment	**(5 172.3)**	**-**	**(4 752.1)**	**(420.2)**
Net requirements, categories I-VIII	201 981.8	13 594.0	179 058.9	22 922.9
IX. Voluntary contributions in kind (budgeted)	**180.0**	**180.0**	**180.0**	**-**
X. Voluntary contributions in kind (non-budgeted)	-	-	-	-
Total	**207 334.1**	**13 774.0**	**183 991.0**	**23 343.1**
				Amount
XI. Other income/adjustments				
Interest income				5 778.0
Other/miscellaneous income				953.0
Voluntary contributions in cash				-
Prior period adjustments				503.0
Savings on, or cancellation, of prior period obligations				5 248.0
Total, category XI				**12 482.0**

[a] Based on the appropriation provided by General Assembly resolution 55/180 B of 14 June 2001.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: $117,535,300; expenditure: $112,944,000; variance: $4,591,300

1. The unutilized balance of $4,591,300 under this heading was attributable to savings realized under military contingents ($3,795,100) and other requirements pertaining to military personnel ($796,200).

Military contingents

Apportionment: $99,559,200; expenditure: $95,764,100; variance: $3,795,100

2. The net unutilized balance of $3,795,100 under this heading resulted primarily from lower actual average troop strength than budgeted during the period under review. The unutilized balance is offset in part by additional requirements under (a) rations, as a result of higher requirements than budgeted for dry and frozen food items as well as higher prices for dairy products than originally estimated, and (b) mission subsistence allowance for military contingents, owing to the higher level of logistical and operational movements made by the military contingent members during the expansion of the Force in the early part of the reporting period.

Other requirements pertaining to military personnel

Apportionment: $17,976,100; expenditure: $17,179,900; variance: $796,200

3. The unutilized balance of $796,200 was attributable to reduced requirements under contingent-owned equipment ($500,000) and self-sustainment ($296,200) as a result of non-deployment of two self-sustained battalions in accordance with the Secretary-General's reconfiguration plan of the Force approved by the Security Council.

Civilian personnel

Apportionment: $27,213,800; expenditure: $25,321,100; variance: $1,892,700

4. The unutilized balance under this heading was due to the average vacancy rate of 12 per cent for international staff (as compared with the budgeted vacancy rate of 8 per cent) as well as the average vacancy rate of 5 per cent for local staff (full incumbency had been assumed in the budget) during the period under review. This unutilized balance was offset in part by additional requirements under travel relating to unbudgeted travel within and outside the mission area in connection with the expansion of the Force. The additional requirement under travel was also a result of travel costs related to short courses and training charged to this budget line, with the corresponding budgetary provision under training programmes.

5. During the period under review, three UNIFIL personnel were on short-term loan to the United Nations Mission in Ethiopia and Eritrea.

Operational requirements

Apportionment: $50,244,900; expenditure: $33,855,300; variance: $16,389,600

6. The unutilized balance under this heading resulted from reduced requirements under premises/accommodations ($4,223,600), transport operations ($5,153,200), air operations ($656,000), communications ($1,109,800), other equipment ($1,855,300), supplies and services ($2,485,900) and air and surface freight ($905,800).

Premises/accommodation

Apportionment: $8,602,700; expenditure: $4,379,100; variance: $4,223,600

7. The unutilized balance was largely due to the non-purchase of 377 prefabricated accommodation/ablution units out of 615 budgeted. The operational plan for the expansion of the Force was to establish 28 military positions, expand 25 existing positions and close some 94 positions. As a result of the suspension of the expansion programme, only 15 new positions were erected and enlargement of the old positions was withheld. Unutilized balances were also reported under construction projects, maintenance services and supplies as well as consumption of utilities for the same reason.

Transport operations

Apportionment: $19,907,600; expenditure: $14,754,400; variance: $5,153,200

8. The unutilized balance under this heading was mainly due to the purchase of fewer vehicles. The cost estimate provided for the purchase of 213 different types of new vehicles in support of an expanded force of 7,900 troops. Subsequently, the expansion programme was suspended, requiring a much smaller UNIFIL vehicle fleet. As a result, a total of 138 vehicles were purchased during the reporting period. Furthermore, the reduction in the vehicle establishment resulted in an unutilized balance under transport workshop equipment, spare parts, repairs and maintenance, and vehicle insurance, as well as under petrol, oil and lubricants.

Air operations

Apportionment: $2,182,500; expenditure: $1,526,500; variance: $656,000

9. The unutilized balance of $656,000 under this heading resulted mainly from the lower than planned number of hours flown for helicopter operations and almost no use of fixed-wing transport aircraft services owing to the suspension of the expansion programme of the Force. The cost estimate for the expansion was made for the deployment of two additional helicopters into the UNIFIL operational area as well as the refuelling of six fixed-wing transport aircraft each flying the six-hour return trip Brindisi-Beirut-Brindisi to transport equipment on an as-required basis. Since the augmentation of the Force did not take place as originally planned, UNIFIL no longer required the hiring of two additional helicopters for the entire 12-month period and the fixed-wing transport aircraft services during the reporting period.

Communications

Apportionment: $4,711,300; expenditure: $3,601,500; variance: $1,109,800

10. For the same reason stated above, the unutilized balance of $1,109,800 under this heading resulted largely from cancelling the acquisition of a large amount of communications equipment, especially military pattern communications equipment, such as mobile and portable radios, AC/DC converters, rural telephone links, AN/PRC-77 battery chargers and a high frequency radio system, as well as from cancelling the purchase of communication workshop equipment and spare parts and repair maintenance for communication equipment. The unutilized balance was also due to lower than expected charges for satellite communication and rental of telephone lines.

Other equipment

Apportionment: $5,784,100; expenditure: $3,928,800; variance: $1,855,300

11. The net unutilized balance of $1,855,300 under this heading resulted from savings with respect to office furniture ($28,200), data processing equipment ($248,200), observation equipment ($732,500), a petrol tank plus metering equipment ($52,000), medical and dental equipment ($132,900), accommodation equipment ($260,500), miscellaneous equipment ($331,600) and spare parts, repairs and maintenance for other equipment ($109,000), which were slightly offset by an additional requirement of $39,600 for the non-budgeted purchase of eight refrigerated containers.

12. The cost estimate under this heading provided for the acquisition of various types of other equipment in support of an expanded force of 7,900 troops. Subsequently, the expansion programme was suspended based on the Secretary-General's reconfiguration plan of the Force approved by the Security Council. Therefore, other equipment purchased during the reporting period was only in support of an actual average troop strength of 5,571 for the 12-month period.

Supplies and services

Apportionment: $7,668,400; expenditure: $5,182,500; variance: $2,485,900

13. Similarly, the unutilized balance under this heading was mainly attributable to the suspension of the expansion programme of the Force, which resulted in lower actual average troop strength and fewer military positions established than budgeted during the reporting period. Total savings of $2,527,800, mainly realized under contractual services, security services, medical treatment and services, claims and adjustments, stationery and office supplies, medical supplies, sanitation and cleaning materials, uniform items, flags and decals, field defence stores and general stores, were slightly offset by the additional requirement of $41,900 for non-budgeted data-processing services.

Air and surface freight

Apportionment: $1,388,300; expenditure: $482,500; variance: $905,800

14. The unutilized balance of $905,800 under this heading resulted mainly from much lower requirements for transportation of contingent-owned equipment and containers that were handled through Beirut port owing to the termination of the expansion programme of the Force.

Other programmes

Apportionment: $123,000; expenditure: $73,700; variance: $49,300

Training programmes

Apportionment: $123,000; expenditure: $73,700; variance: $49,300

15. The training programmes undertaken during the financial period were aimed at addressing the following needs:

(a) The ability to harness maximum benefits from modern information technology in performing day-to-day activities in the Force. In this regard, priority was given to the training of staff in the communication and information technology area in accordance with the strategic plan developed by the Department of Peacekeeping Operations, which takes into account the increasing complexity and scope of activities and the increasing information needs of peacekeeping missions. UNIFIL staff sent as many staff members as possible to the centrally organized training programmes at Brindisi. In addition, the staff participated in training on CISCO systems in Dubai, United Arab Emirates, and Windows 2000 training in Beirut. As a result, the Force is already reaping benefits, e.g. UNIFIL maintains a fibre-optic network of approximately 500 workstations with a very high data transfer rate of one gigabyte per second. Similarly, 50 per cent of the UNIFIL staff in the finance area received training on the Sun System, which is the standard financial transaction processing system for peacekeeping missions;

(b) The need for supervisory skills to enhance understanding of the workflow, delegation of responsibilities, group dynamics, problem solving, etc. UNIFIL conducted two sessions of supervisory management training in Tyre, southern Lebanon, facilitated by the International Management and Training Institute (IMTI). Feedback from the participants reflected significant development in terms of greater understanding of management systems in planning, organizing and implementing work. A total of 65 UNIFIL staff members participated in this training programme;

(c) Client orientation in providing services to the operational components. The primary role of the civilian administration in UNIFIL is to provide administrative and logistic support to the military contingents. To ensure that the civilian staff comprehends the importance of the service by treating the military component as clients, UNIFIL organized eight sessions on client service training facilitated by IMTI. Two of the sessions were charged to the 2000/2001 budget for the training of 25 staff members and the programme continued over the next financial year.

16. During the reporting period, a total of 230 UNIFIL personnel attended various training programmes as shown in the following table.

Course	*Expenditure (United States dollars)*	*Number of persons trained*	*Venue*
1. CISCO network management training	6 400	2	Dubai, United Arab Emirates
2. CISCO router configuration	8 750	6	Hertzelia, Israel
3. Client service training	4 350	25	UNIFIL HQ, Naqoura, Lebanon
4. DAMA satellite training course	-	1	UNLB, Brindisi, Italy
5. Hyundai easy parts system (for Transport staff)	2 162	4	Jerusalem
6. IAPSO Practical International Procurement Training Programme	-	4	Beirut
7. Kobe House Training (engineering)	-	5	UNIFIL HQ, Naqoura, Lebanon
8. Microsoft Excel user training (conducted by UNIFIL IT staff)	-	52	UNIFIL HQ, Naqoura, Lebanon
9. Microsoft Windows 2000 for IT staff	3 300	11	Beirut
10. Microsoft Word user training (conducted by IT staff)	-	40	UNIFIL HQ, Naqoura, Lebanon
11. Nissan & Toyota technical course on 4x4 vehicles	-	1	UNLB, Brindisi, Italy
12. Reality System, Lotus Notes and Domino.doc.	3 150	3	UNLB, Brindisi, Italy
13. Renault training course	-	2	Lyon, France
14. Sun System training	6 380	9	Nicosia
15. Supervisory management course	39 226	65	Tyre, Lebanon
Total	**73 718**	**230**	

17. The unutilized balance of $49,300 under this heading was mainly due to the fact that UNIFIL staff members sustained a very high degree of operational and administrative commitments as a result of the expansion of the Force initiated in May/June 2000 after the withdrawal of Israeli Defence Forces followed by the ongoing downsizing. Therefore, relatively fewer training programmes could be arranged than originally planned by the UNIFIL administration.

Staff assessment

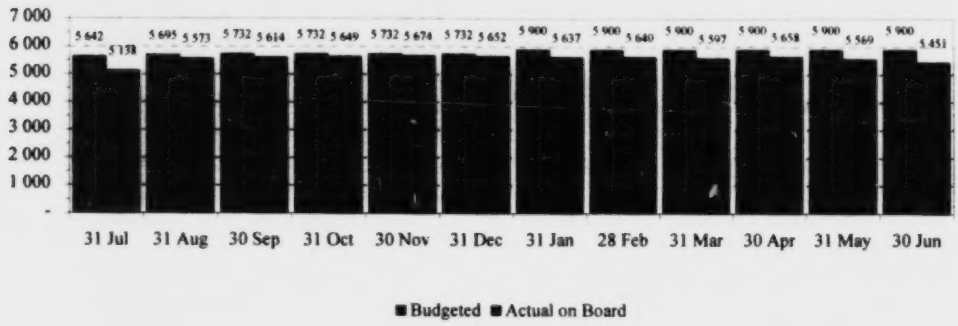
Apportionment: $5,172,300; expenditure: $4,752,100; variance: $420,200

18. The unutilized balance was mainly due to higher than projected vacancy rates for both international and local staff during the period under review.

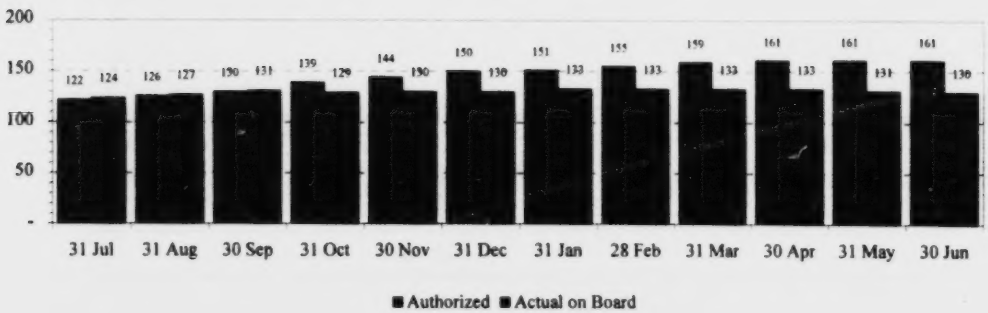
Annex III

Planned and actual deployment of military and civilian military personnel for the period from 1 July 2000 to 30 June 2001

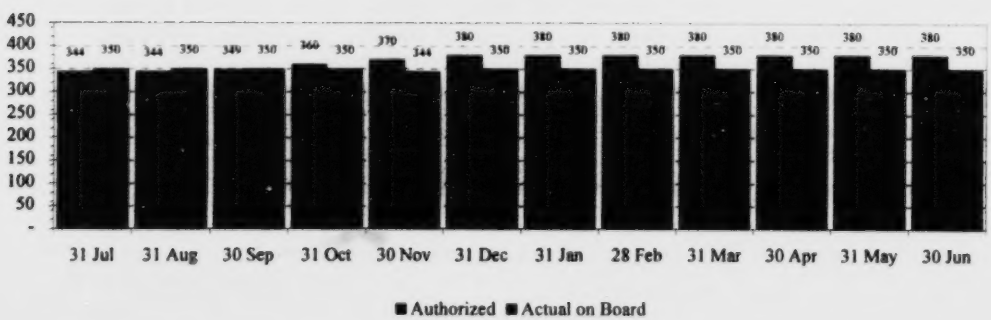
1. Military contingents



2. International staff

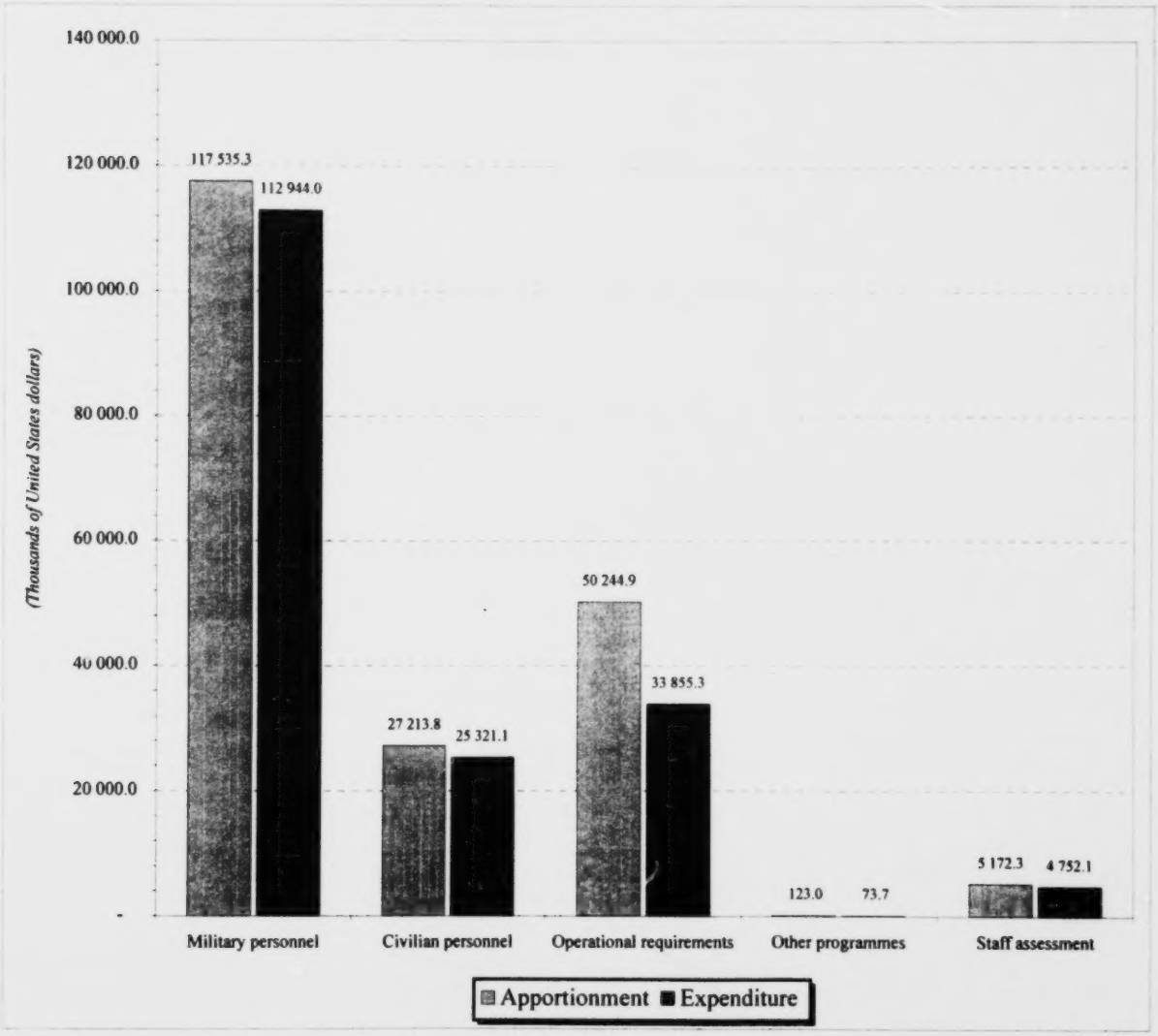


3. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 2000 to 30 June 2001



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Agenda Item 130
Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Enhancing the internal oversight mechanisms in operational funds and programmes, updated views

Report of the Secretary-General

Summary

The present report contains the latest views of funds and programmes concerning the report of the Secretary-General entitled "Enhancing the internal oversight mechanisms in operational funds and programmes, updated version" (A/55/826 and Corr.1). It is being transmitted to the General Assembly at its fifty-sixth session in accordance with resolution 55/259 of 14 June 2001.

The responses received from funds and programmes indicate that most entities have implemented the Secretary-General's recommendations contained in the report. The majority have signed memorandums of understanding (MOUs) with OIOS to reimburse it for its investigation services and have established oversight committees or enhanced existing committees to include oversight responsibilities. OIOS is in consultations with UNICEF, UNRWA and WFP to seek representation on their enhanced audit committees, similar to its representation on the UNDP Management Review and Oversight Committee.

OIOS intends to propose the establishment of MOUs to formalize the provision of audit services to funds and programmes. OIOS also intends to include pertinent information on the oversight mechanisms at funds and programmes in its client profile database and in its future annual reports to the General Assembly, as appropriate.

The Secretary-General urges continued cooperation between the funds and programmes and OIOS on oversight matters in pursuance of General Assembly resolutions 48/218 B of 29 July 1994 and 54/244 of 23 December 1999.

02-25687 (E) 270202

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I. Introduction

1. The present report contains the latest views of the funds and programmes on the updated version of the report of the Secretary-General on enhancing the internal oversight mechanisms in operational funds and programmes (A/55/826 and Corr. 1), as requested by the General Assembly in its resolution 55/259 of 14 June 2001, para. 2. The Assembly decided to defer until its fifty-sixth session consideration of the report, and requested the Secretary-General to transmit the updated views of the funds and programmes for its consideration during that session.

2. The Under-Secretary-General for Internal Oversight Services wrote on 9 August 2001 to all funds and programmes asking for their views on the report (A/55/826 and Corr.1), in particular on the following aspects:

(a) The status of memorandums of understanding (MOUs) signed by funds and programmes to reimburse OIOS for its services (A/55/826, para. 63, recommendation 1 B);

(b) Action taken or planned by entities to establish an oversight committee or to enhance existing committees with the permanent representation of the Under-Secretary-General for Internal Oversight Services (ibid., para. 64).

3. Chapter II below contains a summary of the responses received from the funds and programmes, as of 31 January 2002, and chapter III summarizes conclusions of the OIOS on the responses. Annexes I and II contain tables showing the services provided by OIOS to funds and programmes in 2001 and the oversight committees established. Annex III contains additional detailed information provided by UNDP, UNHCR and WFP to update the report in A/55/826 and Corr.1.

II. Updated views of funds and programmes

4. The majority of responses received from funds and programmes focused on developments regarding MOUs covering OIOS investigation services and the establishment or enhancement of committees dealing with oversight matters. The following is a summary of those responses.

A. International Trade Centre

5. OIOS provides internal audit services to ITC. Its Senior Management Committee functions as an oversight committee, when required. It has undertaken to review reports and recommendations of the oversight bodies, as appropriate. The Committee, which meets weekly, is composed of the Executive Director, the Deputy Executive Director and the four Divisional Directors. It is assisted by staff in the Office of the Executive Director in charge of planning, monitoring and evaluation. A database is being developed to consolidate all recommendations and to enable senior management to monitor their implementation. ITC indicated that it would invite the Head of the OIOS office in Geneva to attend meetings of the Committee, when necessary. ITC has signed the MOU covering OIOS investigation services.

B. United Nations Human Settlements Programme

6. OIOS provides internal audit services to the United Nations Human Settlements Programme, UN-Habitat,[1] which shares with UNEP the cost of an auditor and support staff in the OIOS Nairobi office, as well as related travel costs. In addition, it has been agreed that one of the major programmes of UN-Habitat, the Iraq Programme, will pay for the post of one resident auditor for activities executed by UN-Habitat in northern Iraq. The Monitoring and Evaluation Unit of the Office of the Executive Director is responsible for monitoring the implementation of oversight recommendations.

7. In addition, UN-Habitat has signed an MOU for investigation services provided by OIOS, including related travel costs. The programme intends to include oversight matters in the terms of reference of its Senior Management Group. UN-Habitat indicated that a representative of OIOS would be invited to participate in meetings when oversight matters are discussed.

C. United Nations Office for Drug Control and Crime Prevention

8. OIOS provides internal audit services to ODCCP. Work is in progress to adjust the organizational framework of the ODCCP in line with the OIOS

recommendations contained in the report on the inspection of programme management and administrative practices in the Office for Drug Control and Crime Prevention (A/56/83). ODCCP will establish a Planning and Evaluation Unit to focus on planning and evaluation tools for programmatic purposes, as a point of reference for the assessment of the performance of ODCCP's programmes. ODCCP intends to establish an oversight committee with permanent representation of OIOS, pending consultations with its governing bodies. The Office signed the MOU with OIOS for investigation services, dated 25 January 2001.

D. United Nations Development Programme

9. UNDP provided detailed information updating A/55/826 and Corr.1, which is contained in annex III to the present report. The UNDP Management Review and Oversight Committee has recently finalized its revised terms of reference. The Under-Secretary-General for Internal Oversight Services participates as a permanent member of the Committee. UNDP signed the MOU for investigation services, dated 17 July 2001.

E. United Nations Environment Programme

10. OIOS provides internal audit services to UNEP through its Nairobi office (see para. 6 above). The Programme indicated it was considering including oversight matters in the terms of reference of its Senior Management Group, and would invite a representative of OIOS to participate in the Group's meetings when dealing with oversight matters. UNEP signed the MOU for investigation services, dated 1 March 2001.

F. United Nations Population Fund

11. UNDP provides internal audit services for UNFPA. The Fund undertook a realignment of its headquarters organizational structure in early 2000. Since then, UNFPA has been engaged in a comprehensive review and assessment of the realignment. Within this context, UNFPA senior managers were examining the Fund's accountability framework and the terms of reference, as well as membership of existing and possible new committees that are intended to guide its operations. In doing so, UNFPA indicated that it would consider the Secretary-General's recommendation to establish an oversight committee. Investigations pertaining to UNFPA are covered by a separate MOU with OIOS, which was signed on 27 September 2001.

G. Office of the United Nations High Commissioner for Refugees

12. OIOS provides internal audit services to UNHCR. A new MOU for OIOS audit services provided to UNHCR was signed on 24 July 2001. UNHCR reports that evaluation will become part of the terms of reference of its Oversight Committee, on which OIOS is represented. As most of the investigation services provided by OIOS were covered by a separate agreement, the MOU signed in November 2001 covers services provided during the period September through December 2001. UNHCR provided detailed information updating A/55/826 and Corr.1, which is contained in annex III to the present report.

H. United Nations Children's Fund

13. UNICEF considered the OIOS recommendation to establish an oversight committee, but stated that it was confident that the existing mechanisms enable the Executive Director to discharge her oversight responsibility properly and had no plans to add a further layer of oversight review to those already in place. UNICEF cited regulation 3.1 of its Financial Regulations and Rules, which states that the Executive Director is fully responsible and accountable to the Executive Board for all phases and aspects of UNICEF's activities.

14. In addition to conducting financial audits, the UNICEF Office of Internal Audit now considers basic programme controls as part of each field audit. The Audit Committee, the Board of Auditors and the Division of Evaluation, Policy and Planning also take an active role in the oversight of its programmes to ensure quality and effectiveness. Both the Office of Internal Audit and the Division of Evaluation, Policy and Planning report regularly to the UNICEF Executive Board.

15. The Fund did not consider it necessary at this stage to establish a new committee in addition to its Audit Committee and proposed to revisit this question at a later date. In order to pursue more active identification of good practices, as recommended by the Board of Auditors, the Executive Director of UNICEF and the Administrator of UNDP have agreed that UNDP — a field-based programme with operational responsibility — participate in the UNICEF Audit Committee.

16. UNICEF said that it did not anticipate additional external participation on the committee at this time. Nonetheless, on the basis of the Secretary-General's recommendations in the previous report, OIOS has asked UNICEF to invite OIOS to participate in meetings, similar to OIOS arrangements with UNDP. UNICEF signed an MOU with OIOS for the provision of investigation services, dated 13 March 2001.

I. United Nations Institute for Training and Research

17. OIOS provides internal audit services to UNITAR. The Institute reported that it was not considering the establishment of an oversight committee due to the extensive and intense network of control and monitoring, which was being carried out by its Board of Trustees. The Board approves programmes, budgets and accounts and its Executive Director, who reports every year to the Second Committee of the General Assembly. In addition, the UNITAR programme budget is submitted annually to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and the United Nations Board of Auditors verifies UNITAR accounts biennially. The OIOS Geneva office recently conducted an audit of the management and finances of the Institute.

18. Although UNITAR offered to raise the issue of establishing an oversight committee at the next session of its Board of Trustees, OIOS agrees with UNITAR that it is not necessary in view of its limited size. UNITAR signed an MOU with OIOS for investigation services, dated 20 April 2001.

J. United Nations Office for Project Services

19. UNDP provides audit services to UNOPS. UNOPS reported that it is considering establishing a unit in the Office of the Executive Director dedicated to quality assurance and oversight matters. The unit would serve as the secretariat for an oversight committee, which would be established to ensure that essential systems and controls are in place to address accountability and quality assurance for UNOPS and serve as focal point for relations with all internal and external oversight bodies. UNOPS signed an MOU with OIOS for investigation services in November 2001.

K. United Nations Relief and Works Agency for Palestine Refugees in the Near East

20. UNRWA reported that its Audit Committee functioned as its oversight committee but that it was not necessary for OIOS to be represented. However, UNRWA is proposing to invite OIOS to conduct a peer review of the work of its Audit and Inspection Department. In addition, OIOS is invited to follow up progress in the joint horizontal audit (OIOS and the Audit and Inspection Department) of the United Nations Joint Staff Pension Fund. UNRWA is also inviting OIOS to observe the forthcoming meeting of its Audit and Inspection Committee, as part of the peer review, to share best practices and experiences. UNRWA signed an MOU with OIOS for investigation services, dated 24 January 2001. This arrangement is in addition to the investigation services provided internally by its Audit and Inspection Department.

L. United Nations University

21. OIOS provides internal audit services to UNU. The University was planning to update its 2000 Strategic Plan, which will be called Strategic Plan 2002 for a four-year time frame. During this review, UNU will consider the establishment of a separate oversight committee, possibly comprising external management and audit experts, and including the Under-Secretary-General for Internal Oversight Services as a permanent member. The question of whether to establish the oversight committee will be considered in the context

of UNU's limited size and budgetary resources, among other things. UNU signed an MOU with OIOS for investigation services, dated 18 October 2001.

M. World Food Programme

22. In November 2001, to strengthen and consolidate oversight, WFP established a Division of Oversight Services, consolidating the three existing offices of Internal Audit, Evaluation and Monitoring, and the Inspector General under a new Director of Oversight Services. In addition, an internal WFP Audit Committee and the External Auditor continue to perform an oversight function. WFP stated that it did not envisage appointing external members in its Audit Committee. The Programme pointed out that under its financial regulation 12.1, the Executive Director is responsible for establishing internal controls, including internal audit and investigation, to ensure the effective and efficient use of resources of WFP and the safeguarding of its assets. Nevertheless, on the basis of the Secretary-General's recommendations in the previous report, OIOS has requested to be represented on WFP's Audit Committee, similar to the arrangement with UNDP.

23. WFP agrees that an MOU covering OIOS investigation services is necessary, and negotiations are near finalization on the terms of the MOU. An update of the details of WFP's oversight activities is contained in annex III to the present report.

N. United Nations Joint Staff Pension Fund

24. OIOS has provided internal audit services for the UNJSPF since 1996 through a special OIOS audit unit financed by the Fund, as recommended by the Board of Auditors. UNJSPF reports that the inter-agency Pension Fund, administered by the tripartite United Nations Joint Staff Pension Board, which reports directly to the General Assembly, is not covered by any arrangement to perform internal oversight services. OIOS is looking into this situation. UNJSPF will proceed to finalize its detailed two-year audit plan with OIOS, once formal action has been taken by the General Assembly on its budget for the biennium 2002-2003.

25. UNJSPF will establish its own internal monitoring committee, comprised of the Fund's senior management, to ensure the implementation of internal and external audit recommendations, as recommended by OIOS. OIOS has contacted UNJSPF in order to establish an MOU for possible future investigation services provided by OIOS.

O. Joint United Nations Programme on HIV/AIDS

26. WHO provides internal audit, inspection and investigation services for UNAIDS through its Office of Internal Audit and Oversight. These and other administrative services are provided to UNAIDS in accordance with the relevant resolution of the Economic and Social Council and the 1995 inter-agency MOU establishing UNAIDS. This is part of a framework agreement, renegotiated every two years, under which UNAIDS reimburses WHO for internal and external audit services. When required, WHO member States are called on for investigations on a reimbursable basis. UNAIDS benefits from this capability, as part of its framework agreement. OIOS has also provided investigative assistance pertaining to UNAIDS in 2001.

27. UNAIDS has clarified that it is not a fund or programme, but a joint and co-sponsored programme of eight United Nations agencies and organizations with the WHO Office of Internal Audit and Oversight being the sole body with an oversight mandate regarding UNAIDS. It will therefore not be included in future OIOS reports on funds and programmes. However, OIOS intends to contact UNAIDS to establish an MOU covering possible future investigation services provided by OIOS, as a result of reports submitted through sources other than WHO.

P. Office of the Iraq Programme

28. OIOS has provided audit services to the OIP since 1998, as part of an arrangement with the Programme. OIOS has established a separate unit to provide audit coverage for the Iraq Programme. OIOS has contacted the OIP to establish an MOU for possible future investigation services provided by OIOS.

Q. United Nations Fund for International Partnerships

29. UNFIP was established by the Secretary-General in March 1998. UNFIP reports that since its inception, the Board of Auditors has regularly audited UNFIP financial statements while the United Nations implementing partners have been responsible, inter alia, for ensuring audit coverage of project activities. In addition, ACABQ annually considers the UNFIP administrative budget in order to give its concurrence to the funding level of the office and review its annual activities. The Fifth Committee reviews reports on UNFIP to the General Assembly. OIOS is discussing with UNFIP how OIOS audit and investigation services would best support UNFIP's activities and operations.

III. Conclusions

30. The responses from funds and programmes indicate that most entities have implemented the Secretary-General's recommendations 1 B and 2, contained in A/55/826 and Corr.1.

(i) Recommendation 1 B (Status of MOUs with OIOS for investigation services)

The majority of funds and programmes, for which OIOS has provided investigation services, have signed an MOU with OIOS.[2] OIOS has contacted UNJSPF, UNAIDS and OIP in order to clarify the question of reimbursement for possible future investigation services for these entities.

(ii) Recommendation 2 (oversight committees)

The majority of funds and programmes have established oversight committees, enhanced existing committees to include oversight responsibilities or intend to establish such committees in the near future,[3] as recommended by the Secretary-General. Regarding those entities for which OIOS does not provide audit coverage (UNICEF, UNRWA, WFP and UNDP), OIOS is seeking representation on their audit committees, similar to its representation on UNDP's Management Review and Oversight Committee, in pursuance of its responsibilities under General Assembly resolutions 48/218 B and 54/244. With regard to UNRWA, OIOS appreciates the invitation to participate as observer in the first meeting of its Audit and Inspection Committee and might explore similar arrangements with WFP and UNICEF. With regard to entities for which OIOS does provide audit coverage, OIOS is satisfied that it will be able to obtain information through its services to ensure the Secretary-General that adequate oversight mechanisms are in place (UNITAR, UNU, UNJSPF, OIP and UNFIP).

31. In order to formalize the reimbursement for audit services, OIOS has contacted those funds and programmes for which it provides audit services to request that they sign an MOU, spelling out the level of services to be rendered and the nature of reimbursement.

32. OIOS is establishing client profiles for all funds and programmes, with pertinent information on the oversight mechanisms in place at those entities and will include information, as appropriate, in its future annual reports to the General Assembly.[4]

Notes

[1] By its resolution 56/206 of 21 December 2001, the General Assembly decided to transform the Commission on Human Settlements and its secretariat, the United Nations Centre into the United Nations Human Settlements Programme (UN-Habitat).

[2] See annex I to the present report.

[3] See annex II to the present report.

[4] OIOS customarily invites the comments of all clients on the information included in the annual report before publication.

Annex I

OIOS services provided to funds and programmes in 2001 under memorandum of understanding

Fund/programme	*Investigation*	*Audit*
ITC	✓	✓
UN-Habitat	✓	✓ Proposed MOU
UNODCCP	✓	✓
UNDP	✓	Provided by UNDP
UNEP	✓	✓ Proposed MOU
UNFPA	✓	Provided by UNDP
UNHCR	✓	✓
UNICEF	✓	Provided by UNICEF
UNITAR	✓	✓ Proposed MOU
UNOPS	✓	Provided by UNDP
UNRWA	✓	Provided by UNRWA
UNU	✓	✓ Proposed MOU
WFP	MOU being finalized	Provided by WFP
UNJSPF	None to date	✓ Proposed MOU
UNAIDS	Proposed MOU	Provided by WHO
OIP	None to date	✓ Proposed MOU
UNFIP	None to date	✓ Proposed MOU

Annex II

Oversight committees in funds and programmes

Fund/programme	*Separate oversight committee*	*Other committees with oversight responsibilities*	*OIOS representation*
ITC		Senior Management Committee	ITC intends to invite the head of OIOS Geneva office.
UN-Habitat		Intends to include oversight matters in terms of reference for Senior Management Group	OIOS Nairobi office representative will be invited as necessary.
UNODCCP	Intends to establish an oversight committee, pending consultations with its governing bodies		UNODCCP intends to invite permanent representation of OIOS.
UNDP	UNDP Management Review and Oversight Committee		Under-Secretary-General for Internal Oversight Services is a permanent member.
UNEP		Intends to include oversight matters in terms of reference for its Senior Management Group	OIOS Nairobi office representative will be invited as necessary.
UNFPA	Establishment of oversight committee is being considered	Executive Committee	OIOS is a member of UNDP's Management Review and Oversight Committee.
UNHCR	UNHCR Oversight Committee is reviewing its terms of reference		Head of OIOS Geneva office is a permanent member.
UNICEF		Audit Committee	OIOS is seeking representation.
UNITAR			Through OIOS audit services.
UNOPS	Intends to establish oversight committee		OIOS is a member of UNDP's Management Review and Oversight Committee.
UNRWA	Audit and Inspection Committee (terms of reference to include oversight matters)		OIOS is seeking representation.

Fund/programme	*Separate oversight committee*	*Other committees with oversight responsibilities*	*OIOS representation*
UNU	Is considering establishing committee under its 2002 UNU Strategic Plan		
WFP		Audit Committee	OIOS is seeking representation.
UNJSPF		Internal monitoring committee	Through OIOS audit services.
UNAIDS		WHO Audit Committee	
OIP			Through OIOS audit services.
UNFIP	UNFIP Management Team		

Annex III

Detailed information received from funds and programmes updating the report of the Secretary-General in A/55/826 and Corr.1

Fund/ programme	*Relevant part of A/55/826 and Corr.1*	*Suggested change or comment by funds and programmes*
UNDP	Paragraph 17, note 5	As of 2000, the Office has three fully functioning regional audit service centres, each headed by a chief at the P-5 level and at least two audit staff, in addition to contracted Activities of Limited Duration (ALD) resources.
	Paragraph 20 (b)	Independent country reviews are no longer conducted within UNDP. Instead, UNDP is focusing on results and will be conducting Assessments of Country Results (ACRs), which will be managed by the Evaluation Office.
	Paragraph 41 (c)	Headed by one P-5 and at least two audit staff, in addition to contracted ALD resources.
UNHCR	Paragraph 23	In the third sentence, after "has been strengthened", insert "and has introduced a policy that will devolve evaluation responsibilities to the organization's regional bureaux and field offices". In the fourth sentence, replace "Monitoring is part of a new operations management system" with "Monitoring is part of its operations management system".
	Paragraph 24 and paragraph 64, recommendation 2 (a) (ii)	Replace "Section" with "Service".
	Annex I	Professional and above 1 234 General Service posts 3 593 Total number of posts 4 827 Country level offices 123 Regular budget 2000 19 596 Regular budget 2001 19 179 Voluntary contributions 2000 781 830 Voluntary contributions 2001 855 231 Total, 2000 801 427 Total, 2001 874 410 Two-year total 1 675 837
	Annex III	Replace "Chief" with "Head" and "Section" with "Service". Composition of UNHCR's Oversight Committee: Deputy High Commissioner (Chair); Inspector General; Directors of Resource Management, International Protection, Operational Support, Communication and Information; 3 Directors of Bureaux; Heads of Human Resources, Financial Resources; and Chief, UNHCR Audit Service (OIOS Geneva office). The terms of reference and composition are presently under review.

Fund/ programme	*Relevant part of A/55/826 and Corr.1*	*Suggested change or comment by funds and programmes*
WFP	Paragraph 32	Add (OEDA) after "The Office of Internal Audit".
		Replace the last sentence with the following: "Audit reports are submitted to the Executive Director, to the Audit Committee, and to the External Auditor, who reports to the Board. In addition, annual activities of OEDA are included in summary form in the Executive Director's annual report to the Board."
	Paragraph 33	Add (OEDE) after "Office of Evaluation".
		Add "conducts evaluations of programme activities and provides corporate oversight of monitoring systems used by WFP country offices and implementing partners, including government agencies and non-governmental organizations".
		In the first sentence, replace the text after (OEDE) with: "submits individual summary evaluation reports to the Executive Board and relevant operational units".
		Delete the sentence: "Responsibility for monitoring has been transferred to the Office of Evaluation, which provides corporate oversight of monitoring systems used by government agencies, non-governmental organizations and WFP country offices."
		In the last sentence, delete "best practices" and "future".
	Paragraph 34	Add (OEDI) after "The Office of the Inspector General".
	Paragraph 42 (b)	The WFP Office of Internal Audit also provides consulting services to the Programme. The WFP Office of Internal Audit performs ad hoc audits or other audit tasks which have very limited focus but with significant implications either on policies, procedures or systems in place (including reviewing, assessing and providing comments and suggestions) and which constitute management consulting services.
	Paragraph 47 (j)	Replace the first sentence with: "WFP is revising guidelines for results-based monitoring and project evaluation." Add sentence: "The Executive Board approved, at its annual session in 2001, the WFP Strategic and Financial Plan 2002-2005, which included goals, objectives and performance indicators for the planning period. WFP is reviewing its procedures for the collection and use of performance indicator data in governance and management decision-making, lesson learning and accountability. As necessary, these functions will be strengthened and used to enable the production of an annual performance report to the Executive Board from 2004."
	Paragraph 49, line 3	WFP established the Office of Inspection and Investigation (OEDI) in December 1994.
	Paragraph 49, line 4	Add (OEDI) after "Office of the Inspector General".

Fund/ programme	*Relevant part of A/55/826 and Corr.1*	*Suggested change or comment by funds and programmes*
	Paragraph 51	WFP has its own inspection and investigation unit, the Office of the Inspector General (OEDI).
	Annex I	**The current staffing is as follows**: 930 Professionals 238 National Officers 1,242 General Service 5,074 Other (UNVs, ALDs, short-term, and service contracts) Total: 7,484
		Country offices: Headquarters in Rome 7 regional bureaux, of which 6 decentralized and 1 in Rome 87 country offices 7 liaison offices
		2000/2001: US$ 3.502 million (total contributions and income).
		Column 4: Replace two first lines with: "Executive Board, reporting to ECOSOC and the FAO Conference".
		Column 4: third line: add "and the Director-General of FAO".
	Annex II, table 1	Column 6: Internal: Replace "but not to the Executive Board" with "and to the External Auditor".
		External: Amend sentence as follows: "The External Auditor, who is appointed by the Executive Board and reports to the Board on the biennial financial statements, makes observations and recommendations to management with respect to the efficiency of the financial procedures, the accounting system, the internal financial controls and, in general, the administration and management of WFP."
	Annex II, table 4	The Office of the Inspector General was established in December 1994.